

Message Text

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ACTION STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02

OMB-01 AF-08 ARA-06 EA-07 NEA-10 OIC-02 /139 W

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R 261848Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1445

INFO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 5976

ACTION STR

E.O. 11652: N/A

TAGS: ETRD, GATT, MTN

SUBJECT: MORE ON US/EC AG DISPUTE

REF: A) USEC BRUSSELS 7256, B) MTN GENEVA 5866, C) MTN
GENEVA 5649

1. MTN DEL SHARES CONCERN ATTRIBUTED TO SOAMES ABOUT
"DETERIORATION IN GENEVA ATMOSPHERE" (REFTEL A). PARA 1
OF THAT MESSAGE, HOWEVER, SUGGESTS SOAMES MAY BE GETTING
ONE-SIDED VERSION OF RECENT EVENTS -- I.E., HE MAY HAVE
LEARNED WHAT FOREIGN REPS HAVE BEEN SAYING AT RECENT MTN
MEETINGS BUT NOT THE CONTEXT IN WHICH SUCH STATEMENTS
HAVE BEEN MADE AND, PARTICULARLY, NOT WHAT EC REPS HAVE
BEEN SAYING TO PROVOKE THINGS. WE BELIEVE IT MAY BE
USEFUL TO HAVE USEC GET BACK TO SOAMES BEFORE THE
AUGUST HOLIDAYS TO PUT RECENT DEVELOPMENTS IN BETTER
PERSPECTIVE. THE BASIC MESSAGE WE WANT TO TRY TO GET
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ACROSS TO SOAMES IS THAT WE FOR OUR PART HAVE BEEN

TRYING TO COOL IT IN ACCORDANCE WITH EARLIER UNDER-
ATANINGS WITH THE EC, THAT WE HAVE NOT BEEN EGGING ON
THE AUSTRALIANS, AND THAT WE HAVE NOT SOUGHT TO INITIATE
THE RECENT FLARE-UPS. INSTEAD HAVE FOUND OURSELVES
COMPELLED TO DEFEND OURSELVES AGAINST EXCESSIVE ASSER-
TIONS BY EC REPS AND/OR INACCURATE EC REINTERPRETATIONS
OF PREVIOUS AGREEMENTS.

2. US AND EC AGREED AT DEN-SOAMES LEVEL JAN 22 THAT WE
SHOULD MANAGE AGRICULTURAL ISSUES ARISING BOTH IN
GROUP AGRICULTURE AND IN OTHER MTN GROUPS IN SUCH
A WAY AS TO MINIMIZE CONFLICT; AS PART OF THIS IT
WAS HOPED TO MINIMIZE AS MUCH AS POSSIBLE THE NUMBER
OF LARGE MULTILATERAL MEETINGS ON AGRICULTURAL ISSUES.
US FOR ITS PART HAS BEEN TRYING TO ACT IN ACCORDANCE
WITH THIS AGREEMENT BUT WE HAVE NOT FOUND THIS POSTURE
RECIPROCATED BY EC IN RECENT MONTHS. EXAMPLES:

(A) EC DID INDEED APPROACH US PRIVATELY ON JUNE 25
TO SUGGEST GROUP AG SHOULD MEET IN JULY. OUR
VIEW WAS SUCH A MEETING WAS UNNECESSARY AND
RAN RISK OF ESCALATING RATHER THAN SOLVING
PROBLEMS. THEREFORE, PURSUANT TO JANUARY
AGREEMENT, WE DISCOURAGED EC FROM PROCEEDING.
DESPITE THIS, EC THEN PRECIPITATED INFORMAL
JUNE 29 MEETING WHERE, IT BECAME OBVIOUS,
THERE WAS NOT MUCH SUPPORT FOR A GROUP
AGRICULTURAL MEETING WHERE NOT MUCH COULD
BE ACCOMPLISHED. IN THE FACE OF THIS ATTITUDE,
EC DID NOT CALL FOR GROUP AGRICULTURAL MEETING
TO BE CONVENED.

(B) THE PROCEDURAL IMPASSE IN NTM PARENT GROUP
WAS NOT UNEXPECTED AND, INDEED, EC GAVE US
A FULL WEEK'S ADVANCE NOTICE (REFTEL B) THAT
IT WOULD BLOCK ALL ACTION AT THAT MEETING ON
ANY PROPOSAL WITH AGRICULTURAL IMPLICATIONS,
EVEN FACTUAL COLLECTION OF DATA. MOREOVER,
EC ADVISED US IN ADVANCE THAT IT HAD DECIDED
IT COULD NO LONGER TOLERATE THE TRADITIONAL
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NEUTRAL STAND-OFF LANGUAGE WE HAVE BEEN USING
TO GET OVER AG PROCEDURAL HUMPS TO DATE.
SOAMES SHOULD BE INFORMED THAT IT WAS NOT US
WHO DECIDED TO GIVE UP ATTEMPT TO GLOSS OVER
OUR DIFFERENCES BUT EC WHO DECLINED TO DO. US
MTN DEL WAS IN TOUCH WITH EC SPOKESMAN
NUMEROUS TIMES TO SEEK NEUTRAL LANGUAGE --
THE LAST TIME AS RECENTLY AS ONE HALF HOUR

BEFORE START OF NTM PARENT GROUP WHERE US
REP URGED THAT IT WOULD BETTER SERVE BOTH OF
OUR LONG-RUN INTERESTS IF WE COULD SIDE STEP
THE MINI-CONFRONTATION BOTH KNEW WAS COMING
LATER THAT DAY; WE SPECIFICALLY PROPOSED
DIFFICULTY BE FINESSED BY OMITTING ANY
REFERENCE TO PRODUCT COVERAGE AS HAD BEEN
DOEN FOR NOTIFICATION/CONSULTATION PROCEDURES IN QR
SUBGROUP OR BY REFERRING TO DECEMBER TNC CHAIRMAN'S SUMMING-UP.

(C) DURING COURSE OF NTM PARENT GROUP -- AFTER HAV-
ING REJECTED NEUTRAL FORMULATION OF WORK PROGRAM --
EC SOUGHT TO LAY BLAME AT THE FEET OF THE
AUSTRALIANS AND US BY IMPLYING WE WERE
RESPONSIBLE FOR BLOCKING A MEETING OF GROUP
AGRICULTURAL WHICH EC HAD PROPOSED AND THERE-
FOR WE HAD CREATED THE PROBLEM. AUSTRALIA
AND US THEN BOTH REPLIED THAT THEY WERE NOT
AWARE OF ANY PROPOSAL FOR SUCH A MEETING.
LUYTEN GOT ANGRY ABOUT THIS, BUT IT WAS THE
EC THAT PROVOKED THE ISSUE IN DISREGARD OF THE
JANUARY US-EC UNDERSTANDING AND DESPITE THE
FACT IT HAD NOT IN FACT PROPOSED A GROUP
AGRICULTURAL MEETING AT JUNE 29 SESSION IN
PATTERSON'S OFFICE.

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ACTION STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

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R 261848Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC 1446

INFO USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 2 OF 2 MTN GENEVA 5976

ACTION STR

(D) EC REPS IN SEVERAL DIFFERENT GROUPS HAVE RECENTLY BEGUN TO CHARGE IN OPEN MEETINGS THAT US IS RESPONSIBLE FOR AGRICULTURAL PROCEDURAL PROBLEMS BECAUSE WE DECLINE TO IMPLEMENT THE AGREED "OTHER PRODUCTS" PROCEDURE ADOPTED BY GROUP AGRICULTURAL LAST DECEMBER. WE FIND THIS COMPLAINT TO BE PARTICULARLY GALLING SINCE WE HAVE TOLD EC DELEGATION THAT THE REASON FOR THE HOLD-UP IS LACK OF EC RESPONSE TO OUR WRITTEN PROPOSAL OF MAY 25 ON HOW TO IMPLEMENT WHAT BOTH OF US AGREED TO LAST DECEMBER, NAMELY THAT WHENEVER BILATERAL CONSULTATIONS TAKE PLACE UNDER AUSPICES OF ANY GROUP, INFORMATION SHOULD BE COMMUNICATED IMMEDIATELY TO ALL GROUPS (MTN/W/24 PARA 4). DESPITE THIS, WE LAST WEEK CIRCULATED AG NOTIFICATIONS.

3. AN IMPORTANT CONTRIBUTING ELEMENT TO THE RECENT LIMITED OFFICIAL USE

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FLARE-UP HAS BEEN THE TONE AND CONTENT OF EC RESPONSE IN VARIOUS GROUPS TO AUSTRALIAN COMPLAINTS ABOUT EC AG POLICY AND NEOGITATING POSTURE. AUSTRALIA HAS ADMITTEDLY BEEN PERSISTENT IN BRINGING UP NEW WAYS TO ATTACK VARIABLE LEVIES IN ALMOST EVERY MTN GROUP. RESPONSE BY EC REPS (ESPECIALLY AGRESSIVE ASSERTIONS BY JACQUOT IN MEAT AND DAIRY GROUPS IN PAST COUPLE OF WEEKS) HAVE NOT BEEN WELL CALCULATED TO "COLL IT" BUT HAVE DRAWN US INTO TH DEBATES DUE TO THE EXCESSIVE NATURE OF CLAIMS MADE BY EC ABOUT EARLIER AGREEMENTS, E.G., ASSERTIONS OF TOTAL AUTONOMY FOR GROUP AGRICULTURAL BASED ON START MISINTERPRETATIONS OF THE FAMOUS MAY 8 "COMPROMISE" AND WITH NO RECOGNITION OF THE US-EC AGREEMENT RECORDED IN CHAIRMAN'S SUGGESTION AT THE DECEMBER 1975 TNC.

4. SOAMES SHOULD BE PUT ON NOTICE THAT US BELIEVES EC HAS BEEN THE AGRESSOR AND BEARS THE MAJOR RESPONSIBILITY FOR DETERIORATING ATMOSPHERE IN GENEVA. AT SAME TIME, HE SHOULD BE TOLD WE CONTINUE TO THINK JANUARY UNDERSTANDING IS BOTH SENSIBLE AND IN OUR MUTUAL INTEREST AND THAT WE DO NOT WISH NOR HAVE WE SOUGHT TO PROVOKE A BREAKDOWN. RATHER, WE WOULD HOPE THAT TEMPERS WILL COOL

DURING AGUST BREAK SO DELEGATIONS CAN REGAIN BETTER
SENSE OF BALANCE AS FALL SEMESTER BEGINS AND THAT WE
CAN AVOID MUTUAL RECRIMINATIONS ON THESE DIFFICULT
NEGOTIATING ISSUES. WALKER

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